GOVERNMENT OF ANDHRA PRADESH

Abstract

E, I&I Department - Providing Government guarantee for the HUDCO loan of Rs.200 crore including interest for undertaking pre-development activities of No frills Greenfield Airports proposed at Dagadarthi in Nellore District and Orvakal in Kurnool District – Orders – Issued.

ENERGY, INFRASTRUCTURE & INVESTMENT (AIRPORTS) DEPARTMENT

G.O.RT.No. 50 Dated: 10-05-2016

Read the following:

1. From the Managing Director, BIACL, Hyderabad, Lr.No. 21/BIACL/GFA/OKL-DGD/2015-2, dated:11.01.2016.
2. From the Managing Director, BIACL, Hyderabad, Lr.No. 21/BIACL/GFA/OKL-DGD/2015, dated:13.04.2016.

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O R D E R:

The Government of Andhra Pradesh (GoAP) intends to develop Greenfield airports across the state to enhance air connectivity and support regional economic growth. As part of this vision, GoAP plans to develop low cost, no frills airports at Dagadarthi (Nellore district) and Orvakal (Kurnool district.)

2. In the letter 1st cited, the Managing Director, Bhogapuram International Airport Corporation Limited has informed that M/s.RITES has been appointed as the Technical consultants and that the Techno Economic Feasibility Report for Dagadarthi and Orvakal was submitted by them in January, 2016. “In Principle Site Clearances” for the airport sites were accorded by Ministry of Civil Aviation, Government of India. He has also informed that the funding for land acquisition and pre-development activities for the two projects is by means of loan of Rs 200 crore from Housing and Urban Development Corporation (HUDCO).

3. Managing Director, Bhogapuram International Airport Corporation Limited has further informed that the income for the government on these projects is via Licence fees for land and Revenue share. For Dagadarthi airport revenue share will commence after 10 years from Commercial Operation Date (COD) while for Orvakal airport, it will commence after 15 years.

4. The MD, BIACL has therefore requested to provide Government guarantee for HUDCO loan including budgetary support for repayment of the loan amount of Rs.200 Crores including interest and also on the option of Fixed rate of interest (10.44%) or Floating rate of interest (10.54%).

5. After careful examination Government hereby agree to provide Government guarantee for the HUDCO loan of Rs.200 crore and budgetary support for repayment of the loan including interest for land acquisition and pre-development activities of No frills Greenfield Airports proposed at Dagadarthi in Nellore district and Orvakal in Kurnool district with fixed rate of interest @10.44% as per HUDCO norms. The MD, BIACL is permitted to enter into loan agreement with HUDCO as project proponent.

6. The Managing Director, Bhogapuram International Airport Corporation Limited, Hyderabad shall take necessary action in the matter accordingly.

7. This order issues with the concurrence of Finance Department vide their U.O dated:26.04.2016.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY JAIN
PRL.SECRETARY TO GOVERNMENT

To
The Managing Director, Bhogapuram International Airport Corporation Limited.
The Executive Director, Regional Office, HUDCO, HACA Bhavan, Sifabad, Hyderabad.
The Director of Treasuries and Accounts, A.P, Hyderabad.
The Accountant General, A.P, Hyderabad.
The Prl. Secretary to C.M.
The Finance Department.
General Administration (Cabinet) Department.

//Forwarded :: By Order//

SECTION OFFICER